



ALLEGIANCE COAL

LIMITED

ACN 149 490 353

Notice of Annual General Meeting

**The Annual General Meeting of the Company will be held on
Friday, 3 December 2021 at 10.30am (Sydney time) via teleconference.**

**DUE TO THE ONGOING COVID-19 PANDEMIC, SHAREHOLDERS WILL NOT BE ABLE
TO ATTEND THE MEETING IN PERSON.**

The Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their suitably qualified advisor prior to voting.

**Should you wish to discuss any matter, please do not hesitate to contact the
Company Secretary by email on info@allegiancecoal.com.au.**

Shareholders are urged to vote by lodging the Proxy Form

**Allegiance Coal Limited
ACN 149 490 353**

Notice of Annual General Meeting

Notice is hereby given that the annual general meeting of Shareholders of Allegiance Coal Limited (**Company**) will be held on Friday, 3 December 2021 at 10.30am (Sydney time) via teleconference (**Meeting**).

Due to the ongoing COVID-19 pandemic, Shareholders will only be able to attend and participate in the Meeting via teleconference. Please refer to the Explanatory Memorandum attached to the Notice for further details.

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of the Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 1 December 2021 at 10.30am (Sydney time).

Terms and abbreviations used in the Notice are defined in Schedule 1.

Agenda

1 Annual Report

To consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2021, which includes the Financial Report, the Directors' Report and the Auditor's Report.

2 Resolutions

Resolution 1 - Remuneration Report

To consider and, if thought fit, to pass with or without amendment, as a **non-binding** ordinary resolution the following:

'That the Remuneration Report be adopted by Shareholders.'

Resolution 2 - Election of Director – Bernie Mason

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That pursuant to and in accordance with clause 57.2 of the Constitution, Listing Rule 14.4 and for all other purposes, Bernie Mason, a Director who was appointed on 1 February 2021,

retires and, being eligible, is elected as a Director on the terms and conditions in the Explanatory Memorandum.'

Resolution 3 - Re-election of Director – Jonathan Reynolds

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That Jonathan Reynolds, who retires by rotation in accordance with clause 58 of the Constitution, Listing Rule 14.5 and for all other purposes, and, being eligible and offering himself for re-election, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum.'

Resolution 4 - Approval of 10% Placement Facility

To consider and, if thought fit, to pass with or without amendment, as a **special** resolution the following:

'That pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.'

Resolution 5 - Approval of Employee Securities Incentive Plan

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That pursuant to and in accordance with exception 13(b) of Listing Rule 7.2 and for all other purposes, Shareholders approve the employee incentive scheme of the Company known as the Allegiance Coal Limited Employee Securities Incentive Plan and the issue of up to 36,187,996 Securities under that plan pursuant to exception 13(b) of Listing Rule 7.2, on the terms and conditions in the Explanatory Memorandum.'

Resolution 6 - Approval of potential termination benefits under the Plan

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That conditional on Resolution 5 being approved, for a period commencing from the date this Resolution is passed and ending upon the expiry of all Securities issued or to be issued under the Plan, approval be given for all purposes including Part 2D.2 of the Corporations Act for the giving of benefits to any current or future person holding a managerial or executive office of the Company or a related body corporate in connection with that person ceasing to hold such office, on the terms and conditions in the Explanatory Memorandum.'

Resolution 7- Approval of issue of Director Performance Rights

To consider and, if thought fit, to pass with or without amendment, each as a **separate** ordinary resolution the following:

'That conditional on Resolution 5 being approved and pursuant to and in accordance with Listing Rule 10.14, section 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of the Director Performance Rights to the Directors (or their respective nominees) under the Plan as follows:

- (a) *up to 2,000,000 Performance Rights to Mark Gray; and*
- (b) *up to 2,000,000 Performance Rights to Larry Cook,*

on the terms and conditions in the Explanatory Memorandum.'

Resolution 8 - Approval of issue of Director Options

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That conditional on Resolution 5 being approved and pursuant to and in accordance with Listing Rule 10.14, section 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of up to 750,000 Options to Jonathan Reynolds (or his nominees) under the Plan, on the terms and conditions in the Explanatory Memorandum.'

Resolution 9 - Ratification of issue of August Placement Shares

To consider and, if thought fit, to pass with or without amendment, each as a **separate** ordinary resolution the following:

'That pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of:

- (a) *16,374,127 Shares issued using the Company's placement capacity under Listing Rule 7.1; and*
- (b) *28,401,992 Shares issued using the Company's placement capacity under Listing Rule 7.1A,*

on the terms and conditions in the Explanatory Memorandum.'

Resolution 10 - Ratification of issue of August Lead Manager Options

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,343,283 August Lead Manager Options to Petra Capital Pty Limited (or its nominees) on the terms and conditions in the Explanatory Memorandum.'

Resolution 11 - Ratification of issue of Tranche 1 October Placement Shares

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 23,542,295 Shares issued using the Company's placement capacity under Listing Rule 7.1, on the terms and conditions in the Explanatory Memorandum.'

Resolution 12 - Ratification of issue of Tranche 1 October Lead Manager Options

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 706,268 Tranche 1 October Lead Manager Options to Petra Capital Pty Limited (or its nominees) on the terms and conditions in the Explanatory Memorandum.'

Resolution 13 - Approval of issue of Tranche 2 October Placement Shares

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 36,457,705 Shares on the terms and conditions in the Explanatory Memorandum.'

Resolution 14 - Approval of issue of Tranche 2 October Lead Manager Options

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 1,093,732 Tranche 2 October Lead Manager Options to Petra Capital Pty Limited (or its nominees) on the terms and conditions in the Explanatory Memorandum.'

Voting exclusions

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of:

- (a) Resolution 4, if at the time of the Meeting, the Company is proposing to make an issue of Equity Securities under the 10% Placement Facility, by or on behalf of any persons who are expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder), or any associate of those persons;

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- (b) Resolution 5 by or on behalf of a person who is eligible to participate in the Plan, or any of their respective associates;
 - (c) Resolution 7(a) by or on behalf of a person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan, or any of their respective associates;
 - (d) Resolution 7(b) by or on behalf of a person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan, or any of their respective associates;
 - (e) Resolution 8 by or on behalf of a person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan, or any of their respective associates;
 - (f) Resolution 9(a) or (b) by or on behalf of any person who participated in the issue of the August Placement Shares or any of their respective associates;
 - (g) Resolution 10 and Resolution 12 by or on behalf of the Lead Manager (or its nominees), or any of their respective associates;
 - (h) Resolution 11 by or on behalf of any person who participated in the issue of the Tranche 1 October Placement Shares, or any of their respective associates;
 - (i) Resolution 13 by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder), or any of their respective associates; and
 - (j) Resolution 14 by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue of the Tranche 2 October Lead Manager Options (except a benefit solely by reason of being a Shareholder), or any of their respective associates.

The above voting exclusions do not apply does not apply to a vote cast in favour of a Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting prohibition

Resolution 1: In accordance with sections 250BD and 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of such a member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chair to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

Resolution 5, Resolution 6, Resolution 7(a) and (b) and Resolution 8: In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Further, in respect of Resolution 6, in accordance with section 200E(2A) of the Corporations Act, a vote on this Resolution must not be cast by any participants or potential participants in the Plan and their associates, otherwise the benefit of this Resolution will be lost by such a person in relation to that person's future retirement.

However, a vote may be cast by such a person if:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; and
- (b) it is not cast on behalf of the person or an associate of the person.

Further, in accordance with section 224 of the Corporations Act, a vote on Resolution 7(a) and (b) and Resolution 8 must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party.

However, the above prohibition does not apply if:

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- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
 - (b) it is not cast on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party.

Please note: if the Chair is a person referred to in the voting prohibition statement above (section 224 of the Corporations Act), the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed as proxy in writing and the Proxy Form specifies how the proxy is to vote on the relevant Resolution. If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

BY ORDER OF THE BOARD



Jonathan Reynolds
Finance Director & Company Secretary
Allegiance Coal Limited

Dated: 29 October 2021

**Allegiance Coal Limited
ACN 149 490 353
(Company)**

Explanatory Memorandum

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held on 3 December 2021 at 10.30am (Sydney time) via teleconference.

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	Action to be taken by Shareholders
Section 3	Annual Report
Section 4	Resolution 1- Remuneration Report
Section 5	Resolution 2- Election of Director – Bernie Mason
Section 6	Resolution 3 - Re-election of Director – Jonathan Reynolds
Section 7	Resolution 4 - Approval of 10% Placement Facility
Section 8	Resolution 5 - Approval of Employee Securities Incentive Plan
Section 9	Resolution 6 - Approval of potential termination benefits under the Plan
Section 10	Resolution 7- Approval of issue of Director Performance Rights
Section 11	Resolution 8 - Approval of issue of Director Options
Section 12	Resolution 9 - Ratification of issue of August Placement Shares
Section 13	Resolution 10 - Ratification of issue of August Lead Manager Options
Section 14	Resolution 11 - Ratification of issue of Tranche 1 October Placement Shares
Section 15	Resolution 12 - Ratification of issue of Tranche 1 October Lead Manager Options

Section 16	Resolution 13 - Approval of issue of Tranche 2 October Placement Shares
Section 17	Resolution 14 - Approval of issue of Tranche 2 October Lead Manager Options
Schedule 1	Definitions
Schedule 2	Securities issued in the previous 12 months under Listing Rule 7.1A
Schedule 3	Summary of Employee Securities Incentive Plan
Schedule 4	Terms and Conditions of Director Performance Rights
Schedule 5	Valuation of Director Performance Rights
Schedule 6	Terms and Conditions of Director Options
Schedule 7	Valuation of Director Options
Schedule 8	Terms and Conditions of Lead Manager Options

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 No voting in person

Given the current COVID-19 circumstances and in the interests of public health and safety of our Shareholders, Shareholders will not be permitted to physically attend the Meeting. Please refer to the information below on how Shareholders can participate in the Meeting.

2.2 Voting by proxy

Shareholders are encouraged to complete a Proxy Form to provide specific instructions to the Chair on how the Shareholder's vote is to be exercised on each item of business.

Lodgement instructions (which include the ability to lodge proxies electronically) are set out in the Proxy Form attached to the Notice of Meeting.

2.3 Remote attendance and voting via poll form

The Meeting will be accessible to all Shareholders via teleconference, which will allow Shareholders to listen to, observe and speak at the Meeting. Details of the teleconference are in Section 2.5 below.

Shareholders who do not wish to vote using a Proxy Form and who intend to vote on a poll at the Meeting must contact the Company at info@allegiancecoal.com.au to notify the Company of their intentions and to request a personalised poll form.

The Company will send personalised poll forms following the cut-off time for the return of Proxy Forms (i.e. after 10.30am on 1 December 2021) to Shareholders who request them prior to this time. Personalised poll forms must be completed and returned to the Company after the poll has been called and prior to the close of polling. During the Meeting, the Chair will notify you how and when you are able to complete and return the personalised poll form.

You may still attend the Meeting via the teleconference facility if you have completed a Proxy Form (but have not notified the Company that you intend to vote using a poll form), but the person you have appointed as proxy will cast your vote on your behalf.

2.4 Submitting questions

Shareholders may submit questions in advance of the Meeting to the Company. Questions must be submitted by emailing the Company Secretary at info@allegiancecoal.com.au by 26 November 2021.

Shareholders will also have the opportunity to submit questions during the Meeting in respect to the formal items of business. In order to ask a question during the Meeting, please follow the instructions from the Chair.

The Chair will attempt to respond to the questions during the Meeting. Shareholders are limited to a maximum of two questions each (including any submitted in advance of the Meeting). The Chair will request prior to a Shareholder asking a question that they identify themselves (including the entity name of their shareholding and the number of Shares they hold).

2.5 Remote attendance via teleconference

The Meeting will be accessible to all Shareholders via a teleconference, which will allow Shareholders to listen, observe and participate at the Meeting.

Shareholders who wish to participate in the Meeting can do so remotely by joining via teleconference using the following details:

Australia dial-in number:	1300 254 410
International dial-in number:	please contact info@allegiancecoal.com.au for details
Meeting ID:	5083271622

Shareholders should note that the teleconference will not provide for a voting mechanism during the Meeting and the ability to vote at the Meeting will be facilitated by the use of poll forms as described in Section 2.3 above.

2.6 Chair's voting intentions

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, Resolution 5, Resolution 6, Resolution 7(a) and (b) and Resolution 8, by lodging the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

Subject to the following paragraph, the Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention.

If the Chair is a person referred to in the voting prohibition statement applicable to a Resolution under section 224 of the Corporations Act, the Chair will only be able to cast a vote as proxy for you on the relevant Resolution if you are entitled to vote and have specified your voting intention in the Proxy Form. Shareholders are therefore encouraged to specify their voting intention for every Resolution in the Proxy Form.

3. Annual Report

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2021.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at www.allegiancecoal.com.au;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than five business days before the Meeting to the Company Secretary at the Company's registered office.

4. Resolution 1- Remuneration Report

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

If the Company's Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings, Shareholders will have the opportunity to remove the whole Board, except the managing director (if any).

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director, if any) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the 2020 annual general meeting. If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the 2022 annual general meeting, this may result in the re-election of the Board.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

Resolution 1 is an ordinary resolution.

Given the personal interests of all Directors in this Resolution, the Board makes no recommendation to Shareholders regarding this Resolution.

5. Resolution 2- Election of Director – Bernie Mason

5.1 General

Clause 57.1 of the Constitution allows the Board to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to Article 57.2 of the Constitution, any Director so appointed will hold office until the end of the next annual general meeting of the Company, at which the Director may be re-elected.

In addition, Listing Rule 14.4 provides that a Director appointed as an addition to the Board must not hold office (without re-election) past the next annual general meeting.

On 1 February 2021, Mr Bernie Mason was appointed as a Non-Executive Director of the Company.

Accordingly, Mr Bernie Mason resigns as Director at the Meeting and, being eligible, seeks approval to be elected as a Director pursuant to Resolution 2.

5.2 Mr Bernie Mason

BSc. Geology

Mr Mason obtained a degree in Geology from Morehead State University, Kentucky, and has worked across many minerals although predominantly in US coal for more than 40 years. In

more recent times he has assumed executive management positions in some very large and significant producers of coal in the United States including:

- (a) President and CEO of Xinerger Ltd producing up to 3Mtpa of metallurgical and thermal coal;
- (b) Chief Operating Officer of Appalachian Fuels, LLC. managing a workforce of 600 employees and producing 8Mtpa of metallurgical and thermal coal from five surface mines and three underground mines; and
- (c) Vice President of Technical Services and Business Development of AEI Resources, Inc. which operated surface and underground coal mines producing in excess of 54Mtpa.

Mr Mason was one of the people who sourced the New Elk Mine and introduced it to the Company, assisted with the high-level due diligence, brokered the acquisition agreement with Cline, and provided leadership and supervisory roles for the Company during the feasibility study and re-commissioning of the Mine. Mr Mason was appointed a Non-Executive Director of the Company on 1 February 2021.

Mr Mason does not currently hold any other material directorships.

The Company confirms that it took appropriate checks into Mr Mason's background and experience and that these checks did not identify any information of concern.

If elected, Mr Mason is considered to be an independent Director. Mr Mason is not considered by the Board to hold any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the entity as a whole rather than in the interests of an individual security holder or other party.

Mr Mason has acknowledged to the Company that he will have sufficient time to fulfil his responsibilities as a Director.

5.3 Board recommendation

The Board (other than Mr Mason who has a personal interest in the outcome of this Resolution) recommends that Shareholders vote in favour of Resolution 2 as Mr Mason's extensive experience in US coal mining will be valuable to the Company as it transitions from being a developer to a producer in a jurisdiction in which Mr Mason has extensive experience. Mr Mason's leadership and supervisory roles are considered to be a valuable addition to the Board's existing skills and experience.

5.4 Additional information

Resolution 2 is an ordinary resolution.

6. Resolution 3 - Re-election of Director – Jonathan Reynolds

6.1 General

Clause 58.1 of the Constitution requires that one third of the Directors (excluding the Managing Director) must retire at each annual general meeting (or if that is not a whole number, the whole number nearest to one third, but not more than one third). Pursuant to

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clause 58.2, the Directors to retire are those who have held their office as Director for the longest period since their last election or appointment to that office. In the event two or more Directors have held office for equal periods of time, the retiring Directors are to be determined by lot, unless otherwise agreed by those Directors.

Clause 58.5 provides that a Director who retires under clause 58.1 is eligible for re-election.

Non-Executive Director, Malcolm Carson, was re-elected at the annual general meeting held on 24 November 2020. Non-Executive Director, Larry Cook and Finance Director, Jonathan Reynolds have served the longest in office since their last election, having been elected at the annual general meeting held on 28 November 2019.

It has been agreed that Jonathan Reynolds will retire at this Meeting and, being eligible, seek re-election pursuant to Resolution 3.

6.2 Jonathan Reynolds

B.Com (Hons), CA, F Fin

Mr Reynolds is a chartered accountant with more than 25 years' experience across many sectors spent mostly in financial management roles. Most recently, he has been finance director of a resource investment house, managing investments across a range of commodities, including coal. Prior to that he held the position of chief financial officer with a number of listed entities and before that was a senior manager with an international firm of chartered accountants. He is a member of Chartered Accountants Australia and New Zealand, and a fellow of Financial Services Institute of Australasia.

Mr Reynolds does not currently hold any other material directorships.

Mr Reynolds was first appointed as a Director of the Company on 11 August 2016.

If elected, Mr Reynolds is considered not to be an independent Director as he is an executive director and the company secretary

Mr Reynolds has acknowledged to the Company that he will have sufficient time to fulfil his responsibilities as a Director.

6.3 Board recommendation

The Board (other than Mr Reynolds who has a personal interest in the outcome of this Resolution) recommends that Shareholders vote in favour of Resolution 3 as Mr Reynolds' background with the Company and financial and accounting expertise is to be a valuable addition to the Board's existing skills and experience.

6.4 Additional information

Resolution 3 is an ordinary resolution.

7. Resolution 4 - Approval of 10% Placement Facility

7.1 General

Listing Rule 7.1A enables an eligible entity to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting

(10% Placement Facility). The 10% Placement Facility is in addition to the Company's 15% annual placement capacity under Listing Rule 7.1.

Resolution 4 seeks Shareholder approval to provide the Company the ability to issue Equity Securities under the 10% Placement Facility during the 10% Placement Period (refer to Section 7.2(f) below). The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 7.2(c) below).

If Resolution 4 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 4 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

7.2 Listing Rule 7.1A

(a) Is the Company an eligible entity?

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less.

The Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a market capitalisation of approximately \$152.89 (as at 29 October 2021).

(b) What Equity Securities can be issued?

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the eligible entity.

As at the date of the Notice, the Company has on issue one quoted class of Equity Securities; Shares.

(c) How many Equity Securities can be issued?

Listing Rule 7.1A.2 provides that under the approved 10% Placement Facility, the Company may issue or agree to issue a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

A is the number of Shares on issue at the commencement of the Relevant Period:

(A) plus the number of fully paid Shares issued in the Relevant Period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;

(B) plus the number of fully paid Shares issued in the Relevant Period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:

- (1) the convertible securities were issued or agreed to be issued before the commencement of the Relevant Period; or
- (2) the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- (C) plus the number of fully paid Shares issued in the Relevant Period under an agreement to issue Securities within Listing Rule 7.2 exception 16 where:
 - (1) the agreement was entered into before the commencement of the Relevant Period; or
 - (2) the agreement or issue was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- (D) plus the number of partly paid Shares that became fully paid in the Relevant Period;
- (E) plus the number of fully paid Shares issued in the Relevant Period with approval under Listing Rules 7.1 and 7.4; and
- (F) less the number of fully paid Shares cancelled in the Relevant Period.

Note that 'A' has the same meaning in Listing Rule 7.1 when calculating the Company's 15% annual placement capacity.

D is 10%.

E the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not subsequently approved by the holders of its ordinary securities under Listing Rule 7.4; and

"relevant period" has the same meaning as in Listing Rule 7.1.

(d) What is the interaction with Listing Rule 7.1?

The Company's ability to issue Equity Securities under Listing Rule 7.1A will be in addition to its 15% annual placement capacity under Listing Rule 7.1.

(e) At what price can the Equity Securities be issued?

Any Equity Securities issued under Listing Rule 7.1A must be issued for a cash consideration per security which is not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued,

(Minimum Issue Price).

(f) **When can Equity Securities be issued?**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A will be valid from the date of the Meeting and will expire on the earlier to occur of:

- (i) the date that is 12 months after the date of the Meeting;
- (ii) the time and date of the Company's next annual general meeting; or
- (iii) the time and date of Shareholder approval of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

(g) **What is the effect of Resolution 4?**

The effect of Resolution 4 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without further Shareholder approval or using the Company's 15% annual placement capacity under Listing Rule 7.1.

7.3 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, the following information is provided in relation to the 10% Placement Facility:

(a) **Final date for issue**

The Company will only issue the Equity Securities under the 10% Placement Facility during the 10% Placement Period (refer to Section 7.2(f) above).

(b) **Minimum issue price**

Where the Company issues Equity Securities under the 10% Placement Facility, it will only do so for cash consideration and the issue price will be not less than the Minimum Issue Price (refer to Section 7.2(e) above).

(c) **Purposes of issues under 10% Placement Facility**

The Company may seek to issue Equity Securities under the 10% Placement Facility for the purposes of raising funds for continued investment in the Company's current assets, the acquisition of new assets or investments (including expenses associated with such an acquisition), and/or for general working capital.

(d) **Risk of economic and voting dilution**

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and

- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

If this Resolution is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' economic and voting power in the Company may be diluted as shown in the below table (in the case of Options, only if the Options are converted into Shares).

The below table shows the dilution of existing Shareholders based on the current market price of Shares and the current number of Shares for 'A' calculated in accordance with the formula in Listing Rule 7.1A.2 (see Section 7.2(c)) as at the date of the Notice (**Variable A**), with:

- (i) two examples where Variable A has increased, by 50% and 100%; and
- (ii) two examples of where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price.

Shares on issue (Variable A in Listing Rule 7.1A.2)	Dilution			
	Issue price per Share	\$0.235 50% decrease in Current Market Price	\$0.470 Current Market Price	\$0.940 100% increase in Current Market Price
352,338,339 Shares Variable A	10% Voting Dilution	35,233,834 Shares	35,233,834 Shares	35,233,834 Shares
	Funds raised	\$8,279,951	\$16,559,902	\$33,119,804
528,507,509 Shares 50% increase in Variable A	10% Voting Dilution	52,850,751 Shares	52,850,751 Shares	52,850,751] Shares
	Funds raised	\$12,419,926	\$24,839,853	\$49,679,706
704,676,678 Shares 100% increase in Variable A	10% Voting Dilution	70,467,668 Shares	70,467,668 Shares	70,467,668 Shares
	Funds raised	\$16,559,902	\$33,119,804	\$66,239,608

Notes:

1. The table has been prepared on the following assumptions:

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- (a) the issue price is the current market price (\$0.470), being the closing price of the Shares on ASX on 29 October 2021, being the last day that the Company's Shares traded on the ASX before this Notice was printed;
 - (b) Variable A comprises of 352,338,339 existing Shares on issue as at the date of this Meeting, assuming the Company has not issued any Shares in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with Shareholder approval under Listing Rule 7.1 and 7.4 (assuming Resolution 9(a) and (b) are passed and the issue of a total of 68,318,414 Shares is ratified at the Meeting);
 - (c) the Company issues the maximum number of Equity Securities available under the 10% Placement Facility;
 - (d) no convertible securities (including any issued under the 10% Placement Facility) are exercised or converted into Shares before the date of the issue of the Equity Securities; and
 - (e) the issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
2. The number of Shares on issue (ie Variable A) may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue, scrip issued under a takeover offer or upon exercise of convertible securities) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting.
 3. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 4. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
 5. The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

(e) **Allocation policy**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or new investors who are not related parties of or associates of a related party of the Company.

(f) **Issues in the past 12 months**

The Company has previously obtained Shareholder approval under Listing Rule 7.1A at its annual general meeting held on 21 December 2020.

In the 12 months preceding the date of the Meeting and as at the date of this Notice, the Company has issued 41,041,509 Equity Securities under Listing Rule 7.1A. This represents 23.28% of the total number of Equity Securities on issue at the commencement of that 12 month period (adjusted for the Consolidation).

Details of each issue of Equity Securities by the Company during the 12 months preceding the date of the Meeting are set out in Schedule 2.

(g) **Voting exclusion statement**

At the date of the Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A and has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in any such issue.

However, in the event that between the date of the Notice and the date of the Meeting, the Company proposes to make an issue of Equity Securities under Listing Rule 7.1A to one or more existing Shareholders, those Shareholders' votes will be excluded under the voting exclusion statement in the Notice.

7.4 Additional information

Resolution 4 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Board recommends that Shareholders vote in favour of Resolution 4.

8. Resolution 5 - Approval of Employee Securities Incentive Plan

8.1 General

The Company considers that it is desirable to adopt an employee incentive scheme pursuant to which the Company can issue Equity Securities to attract, motivate and retain key directors, employees and consultants and provide them with the opportunity to participate in the future growth of the Company.

Resolution 5 seeks Shareholder approval for the adoption of the employee incentive scheme titled the Allegiance Coal Limited Employee Securities Incentive Plan (**Plan**) in accordance with Listing Rule 7.2 exception 13(b).

Under the Plan, the Board may offer to eligible persons the opportunity to subscribe for such number of Equity Securities in the Company as the Board may decide and on the terms set out in the rules of the Plan, a summary of the key terms and conditions is in Schedule 3. In

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addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

8.2 Listing Rules 7.1 and 7.2, exception 13(b)

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

Listing Rule 7.2, exception 13(b), provides an exception to Listing Rule 7.1 such that issues of Equity Securities under an employee incentive scheme are exempt for a period of three years from the date on which Shareholders approve the issue of Equity Securities under the scheme as an exception to Listing Rule 7.1.

Listing Rule 7.2, exception 13(b), ceases to be available to the Company if there is a material change to the terms of the Plan from those set out in this Notice in Schedule 3.

If Resolution 5 is passed, the Company will be able to issue Equity Securities under the Plan pursuant to Listing Rule 7.2, exception 13(b), to eligible participants over a period of three years up to a nominated maximum amount without using the Company's 15% annual placement capacity under Listing Rule 7.1.

However, any future issues of Equity Securities under the Plan to a related party or a person whose relation with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under Listing Rule 10.14 at the relevant time. For this reason, the Company is also seeking Shareholder approval for the proposed issue of the Director Performance Rights pursuant to the Plan under Resolution 7(a) and (b) and the Director Options pursuant to the Plan under Resolution 8.

If Resolution 5 is not passed, the Company will not be able to adopt the Plan.

8.3 Specific information required by Listing Rule 7.2, exception 13(b)

Pursuant to and in accordance with Listing Rule 7.2, exception 13(b), the following information is provided in relation to the Plan:

- (a) A summary of the material terms of the Plan is in Schedule 3.
- (b) This is the first time the Company is seeking Shareholder approval of the Plan and no Equity Securities have been issued under the Plan as at the date of this Notice.
- (c) The maximum number of Equity Securities proposed to be issued under the Plan pursuant to Listing Rule 7.2, exception 13(b), following approval of Resolution 5 is 36,187,996. This number comprises 10% of the Company's Equity Securities currently on issue.
- (d) A voting exclusion statement is included in the Notice.

8.4 Board recommendation

Resolution 5 is an ordinary resolution.

The Board declines to make a recommendation in relation to Resolution 5 due to their potential or actual interests in the outcome of the Resolution.

9. Resolution 6 - Approval of potential termination benefits under the Plan

9.1 General

The Corporations Act contains certain limitations concerning the payment of 'termination benefits' to persons who hold a 'managerial or executive office'. The Listing Rules also provides certain limitations on the payment of 'termination benefits' to officers of listed entities.

As is common with employee incentive schemes, the Plan provides the Board with the discretion to, amongst other things, determine that some or all of the Equity Securities granted to a participant under the Plan (**Plan Securities**) will not lapse in the event of that participant ceasing their engagement with the Company before such Plan Securities have vested. This 'accelerated vesting' of Plan Securities may constitute a 'termination benefit' prohibited under the Corporations Act, regardless of the value of such benefit, unless Shareholder approval is obtained. Accordingly, the Board has resolved to seek Shareholder approval for the granting of such termination benefits in accordance with Resolution 6.

If Resolution 6 is not passed, the Company will not be able to offer 'termination benefits' to persons who hold a 'managerial or executive office' pursuant to the terms of the Plan.

9.2 Part 2D.2 of the Corporations Act

Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with them ceasing to hold a 'managerial or executive office' (as defined in the Corporations Act) if an exemption applies or if the benefit is approved by Shareholders in accordance with section 200E of the Corporations Act.

Subject to Shareholder approval of Resolution 5, Shareholder approval is sought for the purposes of Part 2D.2 of the Corporations Act to approve the giving of benefits under the Plan to a person by the Company in connection with that person ceasing to be an officer of, or ceasing to hold a managerial or executive office in, the Company (or subsidiary of the Company) on the terms and conditions in this Explanatory Memorandum.

As noted above, under the terms of the Plan and subject to the Listing Rules, the Board possesses the discretion to vary the terms or conditions of the Plan Securities. Notwithstanding the foregoing, without the consent of the participant in the Plan, no amendment may be made to the terms of any granted Plan Security which reduces the rights of the participant in respect of that Plan Security, other than an amendment introduced primarily to comply with legislation, to correct any manifest error or mistake or to take into consideration possible adverse tax implications.

As a result of the above discretion, the Board has the power to determine that some or all of a participant's Plan Securities will not lapse in the event of the participant ceasing employment or office before the vesting of their Plan Securities.

The exercise of this discretion by the Board may constitute a 'benefit' for the purposes of section 200B of the Corporations Act. The Company is therefore seeking Shareholder

approval for the exercise of the Board's discretion in respect of any current or future participant in the Plan who holds:

- (a) a managerial or executive office in, or is an officer of, the Company (or subsidiary of the Company) at the time of their leaving or at any time in the three years prior to their leaving; and
- (b) Plan Securities at the time of their leaving.

9.3 Valuation of the termination benefits

Provided Shareholder approval is given, the value of the termination benefits may be disregarded when applying section 200F(2)(b) or section 200G(1)(c) of the Corporations Act (i.e. the approved benefit will not count towards the statutory cap under the legislation).

The value of the termination benefits that the Board may give under the Plan cannot be determined in advance. This is because various matters will or are likely to affect that value. In particular, the value of a particular benefit will depend on factors such as the Company's Share price at the time of vesting and the number of Plan Securities that will vest or otherwise be affected. The following additional factors may also affect the benefit's value:

- (a) the participant's length of service and the status of the vesting conditions attaching to the relevant Plan Securities at the time the participant's employment or office ceases; and
- (b) the number of unvested Plan Securities that the participant holds at the time they cease employment or office.

In accordance with Listing Rule 10.19, the Company will ensure that no officer of the Company or any of its child entities will, or may be, entitled to termination benefits if the value of those benefits and the terminations benefits that are or may be payable to all officers together exceed 5% of the equity interests of the Company as set out in the latest accounts given to ASX under the Listing Rules.

9.4 Additional information

Resolution 6 is conditional on the passing of Resolution 5. If Resolution 5 is not approved at the Meeting, Resolution 6 will not be put to the Meeting.

Resolution 6 is an ordinary resolution.

The Board declines to make a recommendation in relation to Resolution 6 due to their potential personal interests in the outcome of the Resolution.

10. Resolution 7- Approval of issue of Director Performance Rights

10.1 General

The Company is proposing, subject to obtaining Shareholder approval, to issue up to 4,000,000 Performance Rights (**Director Performance Rights**) to Messrs Gray and Cook, or their respective nominees, as follows:

- (a) up to 2,000,000 Performance Rights to Mark Gray; and

(b) up to 2,000,000 Performance Rights to Larry Cook.

The Director Performance Rights will vest in the following proportions:

Director Performance Rights	Percentage Mr Gray	Percentage Mr Cook	Milestone
Class A	20%	0%	The Company achieving for the first time 0.5Mtpa of clean coal sales in a consecutive six month period commencing on the date of issue and ending five years from the date of issue
Class B	20%	25%	The Company achieving for the first time 1Mtpa of clean coal sales in a consecutive six month period commencing the date of issue and ending five years from the date of issue
Class C	20%	25%	The Company achieving for the first time 1.5Mtpa of clean coal sales in a consecutive six month period commencing the date of issue and ending five years from the date of issue
Class D	20%	25%	The Company achieving for the first time 2.0Mtpa of clean coal sales in a consecutive six month period commencing the date of issue and ending five years from the date of issue
Class E	20%	25%	The Company achieving for the first time 2.5Mtpa of clean coal sales in a consecutive six month period commencing the date of issue and ending five years from the date of issue

The Company is in an important stage of development with significant opportunities and challenges in both the near and long-term, and the proposed issue of the Director Performance Rights seeks to align the efforts of Messrs Gray and Cook in seeking to achieve growth of the Share price and in the creation of Shareholder value. In addition, the Board also believes that incentivising with Performance Rights is a prudent means of conserving the Company's available cash reserves. The Board believes it is important to offer these Director Performance Rights to continue to attract and maintain highly experienced and qualified Board members in a competitive market.

Resolution 7(a) and (b) seeks Shareholder approval pursuant to Listing Rule 10.14 and section 208 of the Corporations Act for the issue of the Director Performance Rights to Messrs Gray and Cook (or their respective nominees) under the Plan.

10.2 Listing Rule 10.14

Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire Equity Securities under an employee incentive scheme without the approval of its Shareholders:

- (a) a director of the entity (Listing Rule 10.14.1);
- (b) an associate of a person referred to in Listing Rule 10.14.1 (Listing Rule 10.14.2); and
- (c) a person whose relationship with the entity or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by Shareholders.

Approval pursuant to Listing Rule 7.1 is not required for the issue of the Director Performance Rights as approval is being obtained under Listing Rule 10.14. Accordingly, the issue of the Director Performance Rights to Messrs Gray and Cook (or their respective nominees) will not be included in the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

The effect of Shareholders passing Resolution 7(a) and (b) will be to allow the Company to issue the Director Performance Rights.

If Resolution 7(a) and (b) is not passed, the Company will not be able to proceed with the issue of the Director Performance Rights, and the Company will have to consider alternative commercial means to incentivise Messrs Gray and Cook.

10.3 Specific information required by Listing Rule 10.15

Pursuant to and in accordance with Listing Rule 10.15, the following information is provided in relation to the proposed issue of the Director Performance Rights:

- (a) The Director Performance Rights will be issued under the Plan to Messrs Gray and Cook (or their respective nominees).
- (b) Messrs Gray and Cook fall into the category stipulated by Listing Rule 10.14.1 by virtue of being Directors of the Company.
- (c) Up to a maximum of 4,000,000 Director Performance Rights will be issued to Messrs Gray and Cook (or their respective nominees) in the proportions set out in Section 10.1 above.
- (d) The current total annual remuneration package for each of Messrs Gray and Cook as at the date of this Notice are set out below:

Director	Salary and fees (inclusive of superannuation) ¹
Mark Gray	A\$450,000 pa
Larry Cook	US\$220,000 pa

Notes:

1. In addition to salary and fees both Messrs Gray and Cook participate in the Company's Short Term and Long Term Incentive Plans.
- (e) No Equity Securities have previously been issued under the Plan to Messrs Gray or Cook.
- (f) The Director Performance Rights will be issued on the terms and conditions in Schedule 4.
- (g) The Board considers that Performance Rights, rather than Shares or Options, are an appropriate form of incentive because they reward Messrs Gray and Cook for achievement of sustained growth in the value of the Company.
- (h) The Company has valued the Director Performance Rights is in Schedule 5, with a summary below:

Director	Value of Director Performance Rights	
	Number of Director Performance Rights	Total Value of Director Performance Rights
Mark Gray	2,000,000	A\$1,194,000
Larry Cook	2,000,000	A\$1,194,000

- (i) The Director Performance Rights will be issued to Messrs Gray and Cook as soon as practicable following the Meeting and in any event not later than three years after the Meeting.
- (j) The Director Performance Rights will be issued for nil cash consideration and are intended to incentivise Messrs Gray and Cook for their services to the Company.
- (k) A summary of the material terms of the Plan is in Schedule 3.
- (l) No loan will be provided to Messrs Gray and Cook in relation to the issue of the Director Performance Rights.
- (m) Details of any securities issued under the Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.
- (n) Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Plan after the resolution is approved and who were not named in the Notice will not participate until approval is obtained under Listing Rule 10.14.
- (o) A voting exclusion statement is included in the Notice.

10.4 Chapter 2E of the Corporations Act

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

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- (a) obtain Shareholder approval in the manner set out in section 217 to 227 of the Corporations Act; and
 - (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The proposed issue of the Director Performance Rights constitutes giving a financial benefit to related parties of the Company.

The Board (with Mark Gray and Larry Cook abstaining) considers that issue of the Director Performance Rights constitutes 'reasonable remuneration' in the circumstances, and therefore falls within the scope of the exception in section 211 of the Corporations Act. However, in the interests of good corporate governance, as only Non-Executive Director Bernie Mason is not subject to a Resolution at this Meeting seeking approval for the issue of Securities under the Plan, the Company is seeking approval for the purposes of Chapter 2E of the Corporations Act in respect of the Director Performance Rights.

10.5 Information required under Chapter 2E of the Corporations Act

Pursuant to and in accordance with section 219 of the Corporations Act, the following information is provided in relation to the proposed issue of Director Performance Rights:

- (a) **Identity of the related parties to whom Resolution 7(a) and (b) permit financial benefits to be given**

Refer to Section 10.3(a) above.

- (b) **Nature of the financial benefit**

Resolution 7(a) and (b) seeks Shareholder approval to allow the Company to issue the Director Performance Rights in the amounts specified in Section 10.1 above to Messrs Gray and Cook (or their respective nominees).

The Director Performance Rights are to be issued in accordance with the Plan and otherwise on the terms and conditions in Schedule 4.

The Shares to be issued upon conversion of the Director Performance Rights will be fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and will rank equally in all respects with the Company's existing Shares. The Company will apply for official quotation of the Shares on ASX.

- (c) **Director recommendations**

The Remuneration Committee comprising the non-executive Directors recommend that Shareholders vote in favour of those Resolutions for the following reasons:

- (i) through the leadership of Messrs Gray and Cook, they have overseen the development of the Company throughout a period of growth and advancement over the last 12 months;
- (ii) accordingly, the grant of the Director Performance Rights is a reasonable benefit to recognise the past performance by Messrs Gray and Cook;

- (iii) the grant of the Director Performance Rights will further align the interests of Messrs Gray and Cook with those of Shareholders to increase shareholder value;
- (iv) the issue of the Director Performance Rights provides Messrs Gray and Cook with incentives to focus on superior performance in creating shareholder value;
- (v) the grant of the Director Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as the non cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Messrs Gray and Cook; and
- (vi) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Director Performance Rights upon the terms proposed.

(d) **Valuation of financial benefit**

Refer to Section 10.3(h) above.

(e) **Remuneration of Messrs Gray and Cook**

Refer to Section 10.3(d) above.

(f) **Existing relevant interests of Messrs Gray and Cook**

At the date of this Notice, Messrs Gray and Cook hold the following relevant interests in Equity Securities of the Company:

Director	Shares	Options	Performance Rights
Mark Gray	5,600,460	1,000,000	Nil
Larry Cook	522,878	Nil	500,000

Assuming that each of the Resolutions which form part of Resolution 7 are approved by Shareholders, all of the Director Performance Rights are issued, vested and exercised into Shares, and no other Equity Securities are issued or exercised (including any existing Options or Performance Rights held by Messrs Gray and Cook as at the date of this Notice), the respective interests of Messrs Gray and Cook in the Company would be as follows:

- (i) Mark Gray's interest would increase from approximately 1.7% to 2.62% of the Company's issued Share capital; and
- (ii) Larry Cook's interest would increase from approximately 0.16% to 0.62% of the Company's issued Share capital.

(g) **Dilution**

The issue of the Director Performance rights will have a diluting effect on the percentage interest of existing Shareholders' holdings if the Director Performance Rights vest and are exercised. The potential dilution effect is summarised below:

Director Performance Rights	Dilutionary Effect
Class A	0.12%
Class B	0.32%
Class C	0.52%
Class D	0.71%
Class E	0.91%

The above table assumes the current Share capital structure as at the date of this Notice and that no Shares are issued other than the Shares issued on exercise of the Director Performance Rights.

The exercise of all of the Director Performance Rights will result in a total dilution of all other Shareholders' holdings of 0.91% on an undiluted basis

The exercise of all of the Director Performance Rights will result in a total dilution of all other Shareholders' holdings of 0.88% on a fully diluted basis

The actual dilution will depend on the extent that additional Shares are issued by the Company.

(h) **Trading history**

The highest and lowest closing market sale prices of the Shares on ASX during the 12 months prior to the date of this Notice were:

Highest: \$0.755 per Share on 11 June 2021

Lowest: \$0.245 per Share on 21 December 2020

The latest available closing market sale price of the Shares on ASX prior to the date of this Notice was \$0.470 per Share on 29 October 2021.

(i) **Corporate governance**

Mark Gray is Chairman and Managing Director of the Company and therefore the Board believes that the grant of the Director Performance Rights is in line with Recommendation 8.2 of the 4th Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Recommendations**).

The Board acknowledges that the grant of the Director Performance Rights to Larry Cook, a Non-Executive Director, is contrary to Recommendation 8.2 of the Recommendations. However, the Board considers the grant of Director Performance Rights to Mr Cook to be reasonable in the circumstances for the reasons provided in

Section 10.1 above. Notwithstanding that there are performance based milestones attaching to the Director Performance Rights, the Board considers that the grant does not compromise the ability of Mr Cook to bring independent judgment to matters being considered by the Board.

(j) **Taxation consequences**

There are no taxation consequences for the Company arising from the issue of the Director Performance Rights (including fringe benefits tax).

(k) **Other information**

The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 7(a) and (b).

10.6 Additional information

Resolution 7(a) and (b) are conditional on the passing of Resolution 5. If Resolution 5 is not approved that the Meeting, Resolution 7(a) and (b) will not be put to the Meeting.

Resolution 7(a) and (b) are ordinary resolutions.

The Board (with Messrs Gray and Cook abstaining) recommends that Shareholders vote in favour of Resolution 7(a) and (b).

11. Resolution 8 - Approval of issue of Director Options

11.1 General

The Company is proposing, subject to obtaining Shareholder approval, to issue up to 750,000 Options to Jonathan Reynolds (or his nominees) under the Plan (**Director Options**).

The Director Options will vest in the following proportions, as set out below:

Options	Percentage	Milestone
Class A	20%	The Company achieving for the first time 0.5Mtpa of clean coal sales in a consecutive six month period commencing on the date of issue and ending five years from the date of issue
Class B	20%	The Company achieving for the first time 1Mtpa of clean coal sales in a consecutive six month period commencing the date of issue and ending five years from the date of issue
Class C	20%	The Company achieving for the first time 1.5Mtpa of clean coal sales in a consecutive six month period commencing the date of issue and ending five years from the date of issue

Class D	20%	The Company achieving for the first time 2.0Mtpa of clean coal sales in a consecutive six month period commencing the date of issue and ending five years from the date of issue
Class E	20%	The Company achieving for the first time 2.5Mtpa of clean coal sales in a consecutive six month period commencing the date of issue and ending five years from the date of issue

The Company is in an important stage of development with significant opportunities and challenges in both the near and long-term, and the proposed issue of the Director Options seeks to align the efforts of Mr Reynolds in seeking to achieve growth of the Share price and in the creation of Shareholder value. The Board also believes the issue of the Director Options provides a powerful tool to underpin the Company's employment and engagement strategy as it:

- (a) provide incentives to participants in the Plan to focus on achievement of the Company's strategic objectives that create Shareholder value; and
- (b) enables the Company to incentivise and retain key personnel (via time-based vesting conditions), including Mr Reynolds;
- (c) further align the financial interest of participants in the Plan with those of Shareholders;
- (d) enables the Company to continue to attract and maintain highly experienced and qualified Board members in a competitive market.

11.2 Listing Rule 10.14

A summary of Listing Rule 10.14 is in Section 10.2 above.

Approval pursuant to Listing Rule 7.1 is not required for the issue of the Director Options as approval is being obtained under Listing Rule 10.14. Accordingly, the issue of the Director Options to Mr Reynolds (or his nominees) will not be included in the Company's 15% annual placement capacity in Listing Rule 7.1 or the maximum permitted number of Equity Securities issued under Listing Rule 7.2, exception 13(b).

The effect of Shareholders passing Resolution 8 will be to allow the Company to issue the Director Options to Mr Reynolds (or his nominees).

If Resolution 8 is not passed, the Company will not be able to proceed with the issue of the Director Options, and the Company will have to consider alternative commercial means to incentivise Mr Reynolds.

11.3 Specific information required by Listing Rule 10.15

Pursuant to and in accordance with Listing Rule 10.15, the following information is provided in relation to the proposed issue of the Director Options:

- (a) The Director Options will be issued under the Plan to Mr Reynolds (or his nominees).

- (b) Mr Reynolds falls into the category stipulated by Listing Rule 10.14.1 by virtue of being a Director of the Company.
- (c) A maximum of 750,000 Director Options will be issued to Mr Reynolds (or his nominees) in the manner and proportions set out in Section 11.1 above.
- (d) The current total annual remuneration package for Mr Reynolds as at the date of this Notice is set \$300,000 per annum (inclusive of superannuation).
- (e) No Equity Securities have previously been issued under the Plan to Mr Reynolds.
- (f) The Director Options will be issued on the terms and conditions in Schedule 6.
- (g) The Board considers that Options, rather than Shares or Performance Rights, are an appropriate form of incentive for the reasons set out in Section 11.1 above.
- (h) Using a Black-Scholes valuation model, the Company's valuation of the Director Options is \$255,472. A valuation of the Director Options is in Schedule 7.
- (i) The Director Options will be issued to Mr Reynolds (or his nominees) as soon as practicable following the Meeting and in any event not later than three years after the Meeting.
- (j) The Director Options will be issued for nil cash consideration and will be provided as an incentive component to Mr Reynolds' remuneration package.
- (k) A summary of the material terms of the Plan is in Schedule 3.
- (l) No loan will be provided to Mr Reynolds in relation to the issue of the Director Options.
- (m) Details of any securities issued under the Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.
- (n) Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Plan after the resolution is approved and who were not named in the Notice will not participate until approval is obtained under Listing Rule 10.14.
- (o) A voting exclusion statement is included in the Notice.

11.4 Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act is in Section 10.4 above.

The proposed issue of the Director Options constitutes giving a financial benefit to related parties of the Company.

The Board (with Jonathan Reynolds abstaining) considers that issue of the Director Options constitutes 'reasonable remuneration' in the circumstances, and therefore falls within the scope of the exception in section 211 of the Corporations Act. However, in the interests of good corporate governance, as only Non-Executive Directors Malcolm Carson and Bernie Mason are not subject to a Resolution at this Meeting seeking approval for the issue of Securities under the Plan, the Company is seeking approval for the purposes of Chapter 2E of the Corporations Act in respect of the Director Options.

11.5 Information required under Chapter 2E of the Corporations Act

Pursuant to and in accordance with section 219 of the Corporations Act, the following information is provided in relation to the proposed issue of Director Options:

(a) **Identity of the related parties to whom Resolution 8 permit financial benefits to be given**

Refer to Section 11.3(a) above.

(b) **Nature of the financial benefit**

Resolution 8 seeks Shareholder approval to allow the Company to issue the Director Options in the amounts specified in Section 11.1 above to Mr Jonathan Reynolds (or his nominees).

The Director Options are to be issued in accordance with the Plan and otherwise on the terms and conditions in Schedule 6.

The Shares to be issued upon exercise of the Options will be fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and will rank equally in all respects with the Company's existing Shares. The Company will apply for official quotation of the Shares on ASX.

(c) **Director recommendations**

The Directors, other than Mr Reynolds who declines to make a recommendation in relation to Resolution 8 due to his personal interest in the outcome of the Resolution, recommend that Shareholders vote in favour of the Resolution for the following reasons:

- (i) Mr Reynolds, has overseen the development of the Company throughout a period of growth and advancement over the last 12 months;
- (ii) accordingly, the grant of the Director Options is a reasonable benefit to recognise the past performance by Mr Reynolds;
- (iii) the grant of the Director Options will further align the interests of Mr Reynolds with those of Shareholders to increase shareholder value;
- (iv) the issue of the Director Options provides Mr Reynolds with incentives to focus on superior performance in creating shareholder value;
- (v) the grant of the Director Options is a reasonable and appropriate method to provide cost effective remuneration as the non cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Mr Reynolds; and
- (vi) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Director Options upon the terms proposed.

(d) **Valuation of financial benefit**

Refer to Section 11.3(h) above.

(e) **Remuneration of Mr Reynolds**

Refer to Section 11.3(d) above.

(f) **Existing relevant interests of Mr Reynolds**

At the date of this Notice, Mr Reynolds holds the following relevant interests in Equity Securities of the Company:

Director	Shares	Options	Performance Rights
Jonathan Reynolds	490,000	550,000	Nil

Assuming that Resolution 8 is approved by Shareholders, all of the Director Options are issued, vested and exercised into Shares, and no other Equity Securities are issued or exercised (including any existing Options or Performance Rights held by Mr Reynolds as at the date of this Notice), the interests of Mr Reynolds in the Company would increase from approximately 0.15% to 0.54% of the Company's issued Share capital.

(g) **Dilution**

The issue of the Director Options will have a diluting effect on the percentage interest of existing Shareholders' holdings if the Director Options vest and are exercised. The potential dilution effect is summarised below:

Director Options	Dilutionary Effect
Class A	0.05%
Class B	0.09%
Class C	0.14%
Class D	0.18%
Class E	0.23%

The above table assumes the current Share capital structure as at the date of this Notice and that no Shares are issued other than the Shares issued on exercise of the Director Options.

The exercise of all of the Director Options will result in a total dilution of all other Shareholders' holdings of 0.23% on an undiluted basis

The exercise of all of the Director Options will result in a total dilution of all other Shareholders' holdings of 0.22% on a fully diluted basis.

The actual dilution will depend on the extent that additional Shares are issued by the Company.

(h) **Trading history**

The highest and lowest closing market sale prices of the Shares on ASX during the 12 months prior to the date of this Notice were:

Highest: \$0.755 per Share on 11 June 2021

Lowest: \$0.245 per Share on 21 December 2020

The latest available closing market sale price of the Shares on ASX prior to the date of this Notice was \$0.470 per Share on 29 October 2021.

(i) **Corporate governance**

Jonathan Reynolds is Finance Director of the Company and therefore the Board believes that the grant of the Performance Rights is in line with Recommendation 8.2 of the Recommendations.

(j) **Taxation consequences**

There are no taxation consequences for the Company arising from the issue of the Director Performance Rights (including fringe benefits tax).

(k) **Other information**

The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 8.

11.6 Additional information

Resolution 8 is conditional on the passing of Resolution 5. If Resolution 5 is not approved at the Meeting, Resolution 8 will not be put to the Meeting.

Resolution 8 is an ordinary resolution.

The Board (with Mr Reynolds abstaining) recommends that Shareholders vote in favour of Resolution 8.

12. Resolution 9 - Ratification of issue of August Placement Shares

12.1 General

On 30 July 2021, the Company announced a placement to raise \$30,000,000 (before costs) by the issue of 44,776,119 Shares at \$0.67 each. The placement is comprised of the following tranches:

- (a) 16,374,127 Shares under Listing Rule 7.1; and
- (b) 28,401,992 Shares under Listing Rule 7.1A,

(together, the **August Placement Shares**).

On 5 August 2021, the Company issued the August Placement Shares using the Company's placement capacity under Listing Rules 7.1 and 7.1A.

Resolution 9(a) and (b) seeks Shareholder approval pursuant to Listing Rule 7.4 to ratify the issue of the August Placement Shares.

12.2 Listing Rules 7.1, 7.1A and 7.4

A summary of Listing Rule 7.1A is in Section 7.1 above.

Broadly speaking, Listing Rule 7.1 limits the ability of a listed entity from issuing or agreeing to issue Equity Securities over a 12 month period which exceeds 15% of the number of fully paid ordinary shares it had on issue at the start of the 12 month period.

The issue of the August Placement Shares does not fit within any of the exceptions to Listing Rules 7.1 and 7.1A and, as it has not yet been approved by Shareholders, effectively uses up part of the Company's 15% placement capacity under Listing Rule 7.1 and 10% placement capacity under Listing Rule 7.1A. This reduces the Company's capacity to issue further Equity Securities without Shareholder approval under that Listing Rule for the 12 month period following the issue of the August Placement Shares.

Listing Rule 7.4 provides an exception to Listing Rules 7.1 and 7.1A. It provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to Listing Rules 7.1 and 7.1A (and provided that the previous issue did not breach Listing Rules 7.1 and 7.1A), those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rules 7.1 and 7.1A.

The effect of Shareholders passing Resolution 9 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 and the 10% additional placement capacity set out in Listing Rules 7.1 and 7.1A, without the requirement to obtain prior Shareholder approval.

If Resolution 9(a) and (b) are passed:

- (a) 16,374,127 August Placement Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1; and
- (b) 28,401,992 August Placement Shares will be excluded in calculating the Company's 10% limit in Listing Rule 7.1A,

effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 9(a) and (b) is not passed:

- (c) 16,374,127 August Placement Shares will continue to be included in the Company's 15% limit in Listing Rule 7.1; and
- (d) 28,401,992 August Placement Shares will continue to be included in the Company's 10% limit in Listing Rule 7.1A,

effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval, to the extent of 44,776,119 Equity Securities for the 12 month period following the issue of the August Placement Shares (and assuming the Company's approval under Listing Rule 7.1A remains in force for this period).

12.3 Specific information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the August Placement Shares:

- (a) The August Placement Shares were issued to institutional and sophisticated investors, none of whom is a related party of the Company or a Material Investor. The placement participants were identified through a bookbuild process, which involved the Lead Manager seeking expressions of interest to participate in the placement from existing contacts of the Company and clients of the Lead Manager.
- (b) 44,776,119 August Placement Shares were issued as follows:
 - (i) 16,374,127 Shares were issued within the Company's 15% limit permitted under Listing Rule 7.1, without the need for Shareholder approval; and
 - (ii) 28,401,992 Shares were issued within the Company's 10% limit permitted under Listing Rule 7.1A, without the need for Shareholder approval.
- (c) The August Placement Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (d) The August Placement Shares were issued on 5 August 2021.
- (e) The August Placement Shares were issued at \$0.67 each.
- (f) The proceeds from the issue of the August Placement Shares have been or are intended to be used towards:
 - (i) the 100% acquisition of the BWM operating coal mine in Alabama, USA owned by Black Warrior Minerals, Inc;
 - (ii) the purchase of larger equipment at the BWM mine; and
 - (iii) working capital.
- (g) There are no other material terms to the agreement for the subscription of the August Placement Shares.
- (h) A voting exclusion statement is included in the Notice.

12.4 Additional information

Resolution 9(a) and (b) are separate ordinary resolutions.

The Board recommends that Shareholders vote in favour of Resolution 9(a) and (b).

13. Resolution 10 - Ratification of issue of August Lead Manager Options

Refer to Section 12.1 above for the background of the placement announced by the Company on 30 July 2021.

Petra Capital Pty Limited acted as lead manager to the placement (**Lead Manager**). As part consideration for the provision of lead manager services, the Company agreed to issue the Lead Manager (or its nominees) 1,343,283 Options exercisable at \$0.8375 each and expiring on 5 August 2024 (**August Lead Manager Options**).

The August Lead Manager Options were issued pursuant to a mandate entered between the Company and the Lead Manager (**August Lead Manager Mandate**) summarised in Section 13.4 below.

The August Lead Manager Options were issued within the 15% limit permitted under Listing Rule 7.1, without the need for Shareholder approval.

Resolution 10 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the August Lead Manager Options.

13.1 Listing Rules 7.1 and 7.4

A summary of Listing Rules 7.1 and 7.4 are in Section 12.2 above.

The issue of the August Lead Manager Options does not fit within any of the exceptions to Listing Rule 7.1 and, as it has not yet been approved by Shareholders, effectively uses up part of the Company's 15% placement capacity under Listing Rule 7.1. This reduces the Company's capacity to issue further Equity Securities without Shareholder approval under that Listing Rule for the 12 month period following the issue of the August Lead Manager Options.

The effect of Shareholders passing Resolution 10 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

If Resolution 10 is passed, 1,343,283 August Lead Manager Options will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 10 is not passed, 1,343,283 August Lead Manager Options will continue to be included in the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval, to the extent of 1,343,283 Equity Securities for the 12 month period following the issue of those August Lead Manager Options.

13.2 Specific information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the August Lead Manager Options:

- (a) The August Lead Manager Options were issued to the Lead Manager (or its nominees). The Lead Manager is an adviser to the Company.
- (b) 1,343,283 August Lead Manager Options were issued within the Company's 15% limit permitted under Listing Rule 7.1, without the need for Shareholder approval.
- (c) The 1,343,283 August Lead Manager Options were issued on 5 August 2021.
- (d) The August Lead Manager Options are exercisable at \$0.8375 each and expire on 5 August 2024. The August Lead Manager Options are subject to the terms and conditions in Schedule 8.
- (e) The August Lead Manager Options were issued for nil cash consideration and no funds were raised by their issue.
- (f) A summary of the material terms of the August Lead Manager Mandate is in Section 13.4 below.
- (g) A voting exclusion statement is included in the Notice.

13.3 Summary of the August Lead Manager Mandate

The Company and the Lead Manager entered into the August Lead Manager Mandate under which the Lead Manager agreed to provide lead manager services to the Company with regards to the placement. In consideration for services under the August Lead Manager Mandate the Company agreed to pay the Lead Manager:

- (a) 6% of the total proceeds raised pursuant to the placement; and
- (b) 1,343,283 August Lead Manager Options.

13.4 Additional information

Resolution 10 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 10.

14. Resolution 11 - Ratification of issue of Tranche 1 October Placement Shares

14.1 General

On 21 October 2021, the Company announced a placement to raise \$30 million (before costs) by the issue of 60,000,000 Shares at \$0.50 each. The placement is comprised of the following tranches:

- (a) 23,542,295 Shares without prior Shareholder approval, using the Company's remaining placement capacity under Listing Rule 7.1 (**Tranche 1 October Placement Shares**); and

- (b) 36,457,705 Shares subject to the receipt of prior Shareholder approval pursuant to Listing Rule 7.1 (**Tranche 2 October Placement Shares**).

The Tranche 1 October Placement Shares were issued on 29 October 2021. Resolution 11 seeks Shareholder approval pursuant to Listing Rule 7.4 to ratify the issue of the Tranche 1 October Placement Shares.

The Tranche 2 October Placement Shares are intended to be issued as soon as practicable following the receipt of the requisite Shareholder approval at the Meeting. Resolution 13 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of the Tranche 2 October Placement Shares.

14.2 Listing Rules 7.1 and 7.4

A summary of Listing Rules 7.1 and 7.4 is in Section 12.2 above.

Broadly speaking, Listing Rule 7.1 limits the ability of a listed entity from issuing or agreeing to issue Equity Securities over a 12 month period which exceeds 15% of the number of fully paid ordinary shares it had on issue at the start of the 12 month period.

The issue of the Tranche 1 October Placement Shares does not fit within any of the exceptions to Listing Rule 7.1 and, as it has not yet been approved by Shareholders, effectively uses up part of the Company's 15% placement capacity under Listing Rule 7.1. This reduces the Company's capacity to issue further Equity Securities without Shareholder approval under that Listing Rule for the 12 month period following the issue of the Tranche 1 October Placement Shares.

The effect of Shareholders passing Resolution 11 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

If Resolution 11 is passed, 23,542,295 Tranche 1 October Placement Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 11 is not passed, 23,542,295 Tranche 1 October Placement Shares will continue to be included in the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval, to the extent of 23,542,295 Equity Securities for the 12 month period following the issue of the Tranche 1 October Placement Shares.

14.3 Specific information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Tranche 1 October Placement Shares:

- (a) The Tranche 1 October Placement Shares were issued to institutional and sophisticated investors, none of whom is a related party of the Company or a Material Investor. The placement participants were identified through a bookbuild process, which involved the Lead Manager seeking expressions of interest to participate in the placement from existing contacts of the Company and clients of the Lead Manager.

- (b) 23,542,295 Tranche 1 October Placement Shares were issued.
- (c) The Tranche 1 October Placement Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (d) The Tranche 1 October Placement Shares were issued on 29 October 2021.
- (e) The Tranche 1 October Placement Shares were issued at \$0.50 each.
- (f) The proceeds from the issue of the Tranche 1 October Placement Shares have been or are intended to be used towards:
- (i) acquisition of the Short Creek Mine, including replacing rehabilitation bonds;
 - (ii) to advance the Short Creek Mine into development; and
 - (iii) working capital.
- (g) There are no other material terms to the agreement for the subscription of the Tranche 1 October Placement Shares.
- (h) A voting exclusion statement is included in the Notice.

14.4 Additional information

Resolution 11 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 11.

15. Resolution 12 - Ratification of issue of Tranche 1 October Lead Manager Options

15.1 General

Refer to Section 14.1 above for the background of the placement announced by the Company on 21 October 2021.

Petra Capital Pty Limited acted as lead manager to the placement (**Lead Manager**). As part consideration for the provision of lead manager services, the Company agreed to issue the Lead Manager (or its nominees):

- (a) 706,268 Options exercisable at \$0.625 each and expiring 29 October 2024 (**Tranche 1 October Lead Manager Options**); and
- (b) 1,093,732 Options exercisable at \$0.625 each and expiring 3 years from the date of issue (**Tranche 2 October Lead Manager Options**).

The Tranche 1 October Lead Manager Options were issued on 29 October 2021. Resolution 12 seeks Shareholder approval pursuant to Listing Rule 7.4 to ratify the issue of the Tranche 1 October Lead Manager Options .

The Tranche 2 October Lead Manager Options are intended to be issued as soon as practicable following the receipt of the requisite Shareholder approval at the Meeting and completion of the issue of the Tranche 2 October Placement Shares. Resolution 14 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of the Tranche 2 October Lead Manager Options.

15.2 Listing Rules 7.1 and 7.4

A summary of Listing Rules 7.1 and 7.4 are in Section 12.2 above.

The issue of the Tranche 1 October Lead Manager Options does not fit within any of the exceptions to Listing Rule 7.1 and, as it has not yet been approved by Shareholders, effectively uses up part of the Company's 15% placement capacity under Listing Rule 7.1. This reduces the Company's capacity to issue further Equity Securities without Shareholder approval under that Listing Rule for the 12 month period following the issue of the Tranche 1 October Lead Manager Options.

The effect of Shareholders passing Resolution 12 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

If Resolution 12 is passed, 706,268 Tranche 1 October Lead Manager Options will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 12 is not passed, 706,268 Tranche 1 October Lead Manager Options will continue to be included in the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval, to the extent of 706,268 Equity Securities for the 12 month period following the issue of those Tranche 1 October Lead Manager Options.

15.3 Specific information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Tranche 1 October Lead Manager Options:

- (a) The Tranche 1 October Lead Manager Options were issued to the Lead Manager (or its nominees). The Lead Manager is an adviser to the Company.
- (b) 706,268 Tranche 1 October Lead Manager Options were issued within the Company's 15% limit permitted under Listing Rule 7.1, without the need for Shareholder approval.
- (c) The 706,268 Tranche 1 October Lead Manager Options are expected to be issued on 29 October 2021 and in any event by no later than 3 months from the date of this Meeting.
- (d) The Tranche 1 October Lead Manager Options are exercisable at \$0.625 each and will expire on the date 3 years from issue. The Tranche 1 October Lead Manager Options are subject to the terms and conditions in Schedule 8.

- (e) The Tranche 1 October Lead Manager Options were issued for nil cash consideration and no funds were raised by their issue.
- (f) A summary of the material terms of the October Lead Manager Mandate is in Section 15.4 below.
- (g) A voting exclusion statement is included in the Notice.

15.4 Summary of the October Lead Manager Mandate

The Company and the Lead Manager entered into the October Lead Manager Mandate under which the Lead Manager agreed to provide lead manager services to the Company with regards to the placement. In consideration for services under the October Lead Manager Mandate the Company agreed to pay the Lead Manager:

- (a) 6% of the total proceeds raised pursuant to the placement;
- (b) 706,268 Tranche 1 October Lead Manager Options; and
- (c) 1,093,732 Tranche 2 October Lead Manager Options.

15.5 Additional information

Resolution 12 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 12.

16. Resolution 13 - Approval of issue of Tranche 2 October Placement Shares

Refer to Section 14.1 above for the background of the proposed issue of the Tranche 2 October Placement Shares.

Resolution 13 seeks the approval of Shareholders pursuant to Listing Rule 7.1 to issue the Tranche 2 October Placement Shares.

16.1 Listing Rule 7.1

A summary of Listing Rule 7.1 is in Section 12.2 above.

The effect of Shareholders passing Resolution 13 will be to allow the Company to issue the Tranche 2 October Placement Shares within three months of the date of the Meeting, and retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

If Resolution 13 is passed, 36,457,705 Tranche 2 October Placement Shares may be issued without utilising the Company's 15% limit in Listing Rule 7.1, and effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 13 is not passed, the Company will not be able to proceed with the issue of the 36,457,705 Tranche 2 October Placement Shares as proposed. The Company therefore could not complete the second tranche of the placement intended to raise \$18,228,852 on the basis

currently proposed. The Company may elect to undertake a placement using any available placement capacity in the future under Listing Rules 7.1 and/or 7.1A or would otherwise be required to consider alternate sources of such funding. There can be no certainty that such alternate sources of funding would be available, or the terms of any such alternates.

16.2 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the approval of the issue of the Tranche 2 October Placement Shares:

- (a) The Tranche 2 October Placement Shares will be issued to institutional and sophisticated investors, none of whom is a related party of the Company or a Material Investor. The placement participants were identified through a bookbuild process, which involved the Lead Manager seeking expressions of interest to participate in the placement from existing contacts of the Company and clients of the Lead Manager.
- (b) 36,457,705 Tranche 2 October Placement Shares will be issued.
- (c) The Tranche 2 October Placement Shares will be fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (d) The Tranche 2 October Placement Shares will be issued as soon as practicable following the receipt of approval of this Resolution 13 at the Meeting and by no later than 3 months after the date of the Meeting.
- (e) The Tranche 2 October Placement Shares will be issued at \$0.50 each.
- (f) The proceeds from the issue of the Tranche 2 October Placement Shares are intended to be used towards:
 - (i) acquisition of the Short Creek Mine, including replacing rehabilitation bonds;
 - (ii) to advance the Short Creek Mine into development; and
 - (iii) working capital.
- (g) There are no other material terms to the agreement for the subscription of the Tranche 2 October Placement Shares.
- (h) A voting exclusion statement is included in the Notice.

16.3 Additional information

Resolution 13 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 13.

17. Resolution 14 - Approval of issue of Tranche 2 October Lead Manager Options

Refer to Section 15.1 above for the background of the proposed issue of the Tranche 2 October Lead Manager Options.

Resolution 14 seeks the approval of Shareholders pursuant to Listing Rule 7.1 to issue the Tranche 2 October Lead Manager Options.

17.1 Listing Rule 7.1

A summary of Listing Rule 7.1 is in Section 12.2 above.

The effect of Shareholders passing Resolution 14 will be to allow the Company to issue the Tranche 2 October Lead Manager Options within three months of the date of the Meeting, and retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

If Resolution 14 is passed, 1,093,732 Tranche 2 October Lead Manager Options may be issued without utilising the Company's 15% limit in Listing Rule 7.1, and effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 14 is not passed, the Company will not be able to proceed with the issue of the 1,093,732 Tranche 2 October Lead Manager Options as proposed. The Company would need to negotiate alternate forms of compensation with the Lead Manager for their services provided in relation to the second tranche of the placement.

17.2 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the approval of the issue of the Tranche 2 October Placement Shares:

- (a) The Tranche 2 October Lead Manager Options will be issued to the Lead Manager (or its nominees). The Lead Manager is an adviser to the Company.
- (b) 1,093,732 Tranche 2 October Lead Manager Options will be issued.
- (c) The Tranche 2 October Lead Manager Options will be exercisable at \$0.625 each and expire 3 years from issue. The Tranche 2 October Lead Manager Options will be subject to the terms and conditions in Schedule 8.
- (d) The Tranche 2 October Lead Manager Options will be issued as soon as practicable following the issue of the Tranche 2 October Placement Shares and by no later than 3 months after the date of the Meeting.
- (e) The Tranche 2 October Lead Manager Options will issued for nil cash consideration and no funds will be raised by their issue as they are issued as part consideration for services.
- (f) A summary of the material terms of the October Lead Manager Mandate is in Section 15.4 above.

- (g) A voting exclusion statement is included in the Notice.

17.3 Additional information

Resolution 14 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 14.

Schedule 1 Definitions

In the Notice, words importing the singular include the plural and vice versa.

\$ or A\$	means Australian Dollars.
10% Placement Facility	has the meaning given in Section 7.1.
10% Placement Period	has the meaning given in Section 7.2(f).
Annual Report	means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2021.
ASX	means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
Auditor's Report	means the auditor's report on the Financial Report.
August Lead Manager Options	means the 1,343,283 Options, the subject of Resolution 10.
August Placement Shares	means the 44,776,119 Shares, the subject of Resolution 9.
Board	means the board of Directors.
Chair	means the person appointed to chair the Meeting of the Company convened by the Notice.
Closely Related Party	means: (a) a spouse or child of the member; or (b) has the meaning given in section 9 of the Corporations Act.
Company	means Allegiance Coal Limited ACN 149 490 353.
Consolidation	means the consolidation of the Company's issued capital on a one for five basis as approved by Shareholders at the general meeting held on 16 April 2021.
Constitution	means the constitution of the Company as at the date of the Meeting.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Director	means a director of the Company.
Director Options	means the 750,000 Options proposed to be issued to Jonathan Reynolds (or his nominees), the subject of Resolution 8.
Director Performance Rights	means the 4,000,000 Performance Rights proposed to be issued to Mark Gray and Larry Cook (or their respective nominees), the subject of Resolution 7.

Directors' Report	means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.
Equity Security	has the same meaning as in the Listing Rules.
Explanatory Memorandum	means the explanatory memorandum which forms part of the Notice.
Financial Report	means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.
Key Management Personnel	has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.
Lead Manager	means Petra Capital Pty Limited.
Lead Manager Mandate	Means the mandate between the Company and Lead Manager for the provision of lead manager services and bookrunner services.
Listing Rules	means the listing rules of ASX.
Material Investor	<p>means, in relation to the Company:</p> <ul style="list-style-type: none"> (a) a related party; (b) Key Management Personnel; (c) a substantial Shareholder; (d) an adviser; or (e) an associate of the above, <p>who received or will receive (as applicable) Securities in the Company which constitute or constituted (as applicable) more than 1% of the Company's anticipated capital structure at the time of issue.</p>
Meeting	has the meaning given in the introductory paragraph of the Notice.
Minimum Issue Price	has the meaning given in Section 7.2(e).
Notice	means this notice of annual general meeting.
Option	means an option to acquire a Share.
Performance Right	means a right to be issued a Share, subject to the satisfaction or waiver of specified vesting conditions.
Plan	means the Allegiance Coal Limited Employee Securities Incentive Plan.
Plan Securities	has the meaning given in Section 9.1.

Proxy Form	means the proxy form attached to the Notice.
Recommendations	means the 4 th Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.
Relevant Period	means the 12 month period immediately preceding the date of the issue or agreement.
Remuneration Report	means the remuneration report of the Company contained in the Directors' Report.
Resolution	means a resolution referred to in the Notice.
Schedule	means a schedule to the Notice.
Section	means a section of the Explanatory Memorandum.
Securities	means any Equity Securities of the Company (including Shares, Options and/or Performance Rights).
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means the holder of a Share.
Strike	means a 'no' vote of 25% or more on the resolution approving the Remuneration Report.
Trading Day	has the meaning given in the Listing Rules.
Tranche 1 October Lead Manager Options	means the 706,268 Options, the subject of Resolution 12.
Tranche 1 October Placement Shares	means the 23,542,295 Shares, the subject of Resolution 11.
Tranche 2 October Placement Shares	means the 36,457,705 Shares, the subject of Resolution 13.
Tranche 2 October Lead Manager Options	means the 1,093,732 Options, the subject of Resolution 14.
VWAP	means volume weighted average market price.

Schedule 2 Securities issued in the previous 12 months under Listing Rule 7.1A

Details of each issue of Equity Securities by the Company under Listing Rule 7.1A during the previous 12 months are described below

Date of Issue	Number of Securities	Type of Security	Recipient	Issue Price and details of any discount to Market Price ¹	Cash consideration and use of funds
3 March 2021	12,639,517 (adjusted for the Consolidation)	Shares	Sophisticated and professional investors under the Placement, as approved at the Shareholders' meeting on 16 April 2021.	\$0.08 per Share, representing a 2.44% discount to closing price on the date of issue (\$0.082, on a pre-Consolidation basis)	Cash raised: \$5,055,807 Cash spent: \$5,055,807 Use of funds: development at New Elk, the Tenas environmental assessment application, debt repayment, Placement costs and general working capital.
5 August 2021	28,401,992	Shares	Sophisticated and professional investors under the Placement	\$0.67 per Share, representing no discount to closing price on the date of issue (\$0.670)	Cash raised: \$19,029,335 Cash spent: \$19,029,335 Use of funds: 100% acquisition of the BWM operating coal mine in Alabama, USA, owned by Black Warrior Minerals, Inc, purchase of larger equipment at the BWM mine and working capital.

Schedule 3 Summary of Employee Securities Incentive Plan

A summary of the key terms of the Plan is set out below:

1. **(Eligible Participant):** Eligible Participant means a person that:
 - (a) is an "eligible participant" (as that term is defined in ASIC Class Order [CO 14/1000]) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order [14/1000]); and
 - (b) has been determined by the Board to be eligible to participate in the Plan from time to time.
2. **(Purpose):** The purpose of the Plan is to:
 - (a) assist in the reward, retention and motivation of Eligible Participants;
 - (b) link the reward of Eligible Participants to Shareholder value creation; and
 - (c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.
3. **(Plan administration):** The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.
4. **(Eligibility, invitation and application):** The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides. On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.
5. **(Grant of Securities):** The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
6. **(Terms of Convertible Securities):** Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan. Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.
7. **(Vesting of Convertible Securities):** Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant

by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

8. **(Exercise of Convertible Securities and cashless exercise):** To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation. An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

'Market Value' means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

9. **(Delivery of Shares on exercise of Convertible Securities):** As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.
10. **(Forfeiture of Convertible Securities):** Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest. Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

- (a) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
 - (b) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.
11. **(Change of control):** If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in

and/or benefit from any transaction arising from or in connection with the change of control event.

12. **(Rights attaching to Plan Shares):** All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (Plan Shares) will rank *pari passu* in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.
13. **(Disposal restrictions on Plan Shares):** If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction. For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.
14. **(Adjustment of Convertible Securities):** If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation. If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised. Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.
15. **(Participation in new issues):** There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.
16. **(Amendment of Plan):** Subject to the following, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect. No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.
17. **(Plan duration):** The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants. If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

Schedule 4 Terms and Conditions of Director Performance Rights

The Director Performance Rights will be issued on the following terms and conditions:

1. Entitlement

Each Performance Right entitles the holder to subscribe for one fully paid ordinary share in the capital of the Company (**Share**) upon conversion of the Performance Right (once vested).

2. Plan

The Performance Rights will be issued under the Company's employee securities incentive plan (**Plan**) for nil cash consideration. In the event of any inconsistency between the Plan and these terms and conditions, these terms and conditions will apply to the extent of the inconsistency.

3. Expiry Date

The Performance Rights will expire on the earlier to occur of:

- (a) five years from the date of issue; and
- (b) the Performance Rights lapsing and being forfeited under the Plan or these terms and conditions.

4. Vesting Conditions

Subject to these terms and conditions, the Performance Rights will vest as follows:

Performance Rights	Percentage Mr Gray	Percentage Mr Cook	Vesting Condition
Class A	20%	0%	The Company achieving for the first time 0.5Mtpa of clean coal sales in a consecutive six month period commencing on the date of issue and ending five years from the date of issue
Class B	20%	25%	The Company achieving for the first time 1Mtpa of clean coal sales in a consecutive six month period commencing the date of issue and ending five years from the date of issue
Class C	20%	25%	The Company achieving for the first time 1.5Mtpa of clean coal sales in a consecutive six month period commencing the date of issue and ending five years from the date of issue

Class D	20%	25%	The Company achieving for the first time 2.0Mtpa of clean coal sales in a consecutive six month period commencing the date of issue and ending five years from the date of issue
Class E	20%	25%	The Company achieving for the first time 2.5Mtpa of clean coal sales in a consecutive six month period commencing the date of issue and ending five years from the date of issue

5. Exercise Price

The Exercise Price of each vested Performance Right is nil.

6. Conversion

Upon vesting, each Performance Right will, at the Participant's election, convert into one Share. The Participant may apply to exercise vested Performance Rights at any time prior to the Expiry Date by filling out a notice of exercise in the form provided by the Company and returning to the Company Secretary (**Notice of Exercise**).

7. Timing of issue of Shares and quotation of Shares on exercise

As soon as practicable after the issue of a Notice of Exercise by the holder, the Company will:

- (a) issue, allocate or cause to be transferred to the holder the number of Shares to which the holder is entitled;
- (b) if required, issue a substitute Certificate for any remaining unexercised Performance Rights held by the holder;
- (c) if required and subject to paragraph 8, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- (d) in the event the Company is admitted to the official list of ASX, do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the Listing Rules and subject to the expiry of any restriction period that applies to the Shares under the Corporations Act or the Listing Rules.

8. Restrictions on transfer of Shares

If the Company is required but is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on conversion of the Performance Rights may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.

9. Shares issued on exercise

All Shares issued upon the exercise of Performance Rights will upon issue rank pari passu in all respects with the then Shares of the Company.

10. Transfer

The Performance Rights are not transferable unless they have vested and only with the prior written approval of the Board and subject to compliance with the Corporations Act and the Listing Rules.

11. Quotation

No application for quotation of the Performance Rights will be made by the Company.

12. Voting rights and dividends

The Performance Rights do not confer on the holder an entitlement to vote at general meetings of the Company or to receive dividends.

13. Entitlement to capital return

The Performance Rights do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise, and similarly do not confer any right to participate in the surplus profit or assets of the Company upon a winding up, in each case, during the currency of the Performance Rights without exercising the Performance Rights.

14. Participation in entitlements and bonus issues

Subject to the rights under paragraphs 15 and 16 below, during the currency of any Performance Rights and prior to their exercise, the holder is not entitled to participate in any new issue of Shares of the Company such as bonus issues and entitlement issues, as a result of their holding of the Performance Rights.

15. Adjustment for Bonus Issue

- (a) If Shares are issued by the Company pro rata to Shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of the Performance Rights is entitled, upon exercise of the Performance Rights, to receive, in addition to the Shares in respect of which the Performance Rights are exercised and without the payment of any further consideration, an allotment of as many additional Shares as would have been issued to a Shareholder who, on the date for determining entitlements under the bonus issue, held Shares equal in number to the Shares in respect of which the Performance Rights are exercised.
- (b) Additional Shares to which the holder of the Performance Rights becomes so entitled will, as from the time Shares are issued pursuant to the bonus issue and until those additional Shares are allotted, be regarded as Shares in respect of which the Performance Rights are exercised for the purposes of subsequent applications of paragraph 15(a) above, and any adjustments which, after the time just mentioned, are made under paragraph 16 below to the number of Shares, will also be made to the additional Shares.

16. No rights to return of capital

The Performance Rights do not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

17. Rights on winding up

The Performance Rights do not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.

18. Reorganisation of capital

If there is a reorganisation of the issued Share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each holder of Performance Rights will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

19. Leaver

You will become a "Leaver" when you cease employment, engagement or office with the Company or any of its subsidiaries. Where you become a Leaver, all unvested Performance Rights will automatically be forfeited by you, unless the Board otherwise determines in its discretion to permit some or all of the Performance Rights to vest.

20. Change of Control

If a Change of Control Event (as defined in the Plan) occurs, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Performance Rights will be dealt with, including, without limitation, in a manner that allows the holder to participate in and/or benefit from any transaction arising from or in connection with the Change of Control Event.

Schedule 5 Valuation of Director Performance Rights

Director	Class	No. Performance Rights	Assumed Share Price at Grant Date	Expiry Date	Value per Performance Right	Total value of Performance Rights
Mark Gray	A	400,000	\$0.597	Five years from the date of issue	\$0.597	\$238,800
	B	400,000	\$0.597	Five years from the date of issue	\$0.597	\$238,800
	C	400,000	\$0.597	Five years from the date of issue	\$0.597	\$238,800
	D	400,000	\$0.597	Five years from the date of issue	\$0.597	\$238,800
	E	400,000	\$0.597	Five years from the date of issue	\$0.597	\$238,800
	TOTAL	2,000,000	\$0.597	Five years from the date of issue	\$0.597	\$1,194,000
Larry Cook	A	nil	\$0.597	Five years from the date of issue	\$0.597	\$nil
	B	500,000	\$0.597	Five years from the date of issue	\$0.597	\$298,500
	C	500,000	\$0.597	Five years from the date of issue	\$0.597	\$298,500
	D	500,000	\$0.597	Five years from the date of issue	\$0.597	\$298,500
	E	500,000	\$0.597	Five years from the date of issue	\$0.597	\$298,500
	TOTAL	2,000,000	\$0.597	Five years from the date of issue	\$0.597	\$1,194,000

Schedule 6 Terms and Conditions of Director Options

The Director Options will be issued on the following terms and conditions:

1. Entitlement

Each Option entitles the holder to subscribe for one fully paid ordinary share in the capital of the Company (**Share**) upon exercise of the Option (once vested).

2. Plan

The Options will be issued under the Company's employee securities incentive plan (**Plan**) for nil cash consideration. In the event of any inconsistency between the Plan and these terms and conditions, these terms and conditions will apply to the extent of the inconsistency.

3. Exercise Price and Expiry Date

The Options have an exercise price of \$1.40 per Option (**Exercise Price**) and will expire on the earlier to occur of:

- (a) five years from the date of issue; and
- (b) the Options lapsing and being forfeited under the Plan or these terms and conditions.

4. Expiry Date

An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

5. Vesting Conditions

Subject to these terms and conditions, the Options will vest as follows:

Options	Percentage	Vesting Condition
Class A	20%	The Company achieving for the first time 0.5Mtpa of clean coal sales in a consecutive six month period commencing on the date of issue and ending five years from the date of issue
Class B	20%	The Company achieving for the first time 1Mtpa of clean coal sales in a consecutive six month period commencing the date of issue and ending five years from the date of issue
Class C	20%	The Company achieving for the first time 1.5Mtpa of clean coal sales in a consecutive six month period commencing the date of issue and ending five years from the date of issue
Class D	20%	The Company achieving for the first time 2.0Mtpa of clean coal sales in a consecutive six month period

		commencing the date of issue and ending five years from the date of issue
Class E	20%	The Company achieving for the first time 2.5Mtpa of clean coal sales in a consecutive six month period commencing the date of issue and ending five years from the date of issue

6. Exercise Period

Each vested Option is exercisable at any time and from time to time on or prior to the Expiry Date.

7. Quotation of the Options

The Options will be unquoted.

8. Transferability of the Options

The Options are not transferable unless they have vested and only with the prior written approval of the Company and subject to compliance with the Corporations Act.

9. Voting rights and dividends

The Options do not confer on the holder an entitlement to vote at general meetings of the Company or to receive dividends.

10. Entitlement to capital return

The Options do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise, and similarly do not confer any right to participate in the surplus profit or assets of the Company upon a winding up, in each case, during the currency of the Options without exercising the Options.

11. Notice of Exercise

The Options may be exercised by notice in writing to the Company in multiples of 10,000 Options per notice in the manner specified on the Option certificate or as otherwise agreed with the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company (acting reasonably). Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

12. Lodgement instructions

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for Shares on exercise of the Options with the appropriate remittance should be lodged at the Company's Share Registry.

13. Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then Shares of the Company.

14. Quotation of Shares on exercise

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options in accordance with the Listing Rules.

15. Timing of issue of Shares

Within 5 business days after the receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised, the Company will:

- (a) issue the Shares pursuant to the exercise of the Options;
- (b) if required and subject to paragraph 16, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- (c) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

16. Restrictions on transfer of Shares

If the Company is required but is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on conversion of the Performance Rights may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.

17. Cashless exercise of Options

The holder of Options may elect not to be required to provide payment of the Exercise Price for the number of Options specified in a Notice of Exercise but that on exercise of those Options the Company will transfer or allot to the holder that number of Shares equal in value to the positive difference between the then Market Value of the Shares at the time of exercise and the Exercise Price that would otherwise be payable to exercise those Options (with the number of Shares rounded down to the nearest whole Share).

Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the five (5) trading days immediately preceding that given date.

18. Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.

19. Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and

(b) no change will be made to the Exercise Price.

20. No rights to return of capital

The Options do not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

21. Adjustment for entitlements issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than as a bonus issue, to which paragraph 19 will apply) there will be no adjustment of the Exercise Price of an Option or the number of Shares over which the Options are exercisable.

22. Rights on winding up

The Options do not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.

23. Adjustments for reorganisation

If there is a reorganisation of the issued Share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each holder of Options will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

24. Leaver

You will become a "Leaver" when you cease employment, engagement or office with the Company or any of its subsidiaries. Where you become a Leaver, all unvested Options will automatically be forfeited by you, unless the Board otherwise determines in its discretion to permit some or all of the Options to vest.

25. Change in control

If a Change of Control Event occurs, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Options will be dealt with, including, without limitation, in a manner that allows the holder of the Options to participate in and/or benefit from any transaction arising from or in connection with the Change of Control Event.

Schedule 7 Valuation of Director Options

The Director Options to be issued to Mr Reynolds (or his nominees) pursuant to Resolution 8 have been valued according to a Black-Scholes valuation model on the following assumptions:

Number of Director Options	750,000
Assumed Share price at grant date	\$0.597
Exercise price	\$1.40 per Director Option
Market value on ASX of underlying Shares at time of setting exercise price	\$0.597
Exercise price premium to market value	234%
Expiry	Five years from the date of issue
Expected volatility	95.5%
Risk free interest rate	1.45%
Annualised dividend yield	0%
Value of each Director Option	\$0.34063
Aggregate value of Director Options	\$255,472

Schedule 8 Terms and Conditions of Lead Manager Options

The terms of the August Lead Manager Options, Tranche 1 October Lead Manager Options and Tranche 2 October Lead Manager Options are as follows:

1. **(Entitlement):** Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
2. **(Issue Price):** No cash consideration is payable for the issue of the Options.
3. **(Exercise Price):** The Options have the exercise price specified below:
 - (a) August Lead Manager Options: \$0.8375 per Option;
 - (b) Tranche 1 October Lead Manager Options and Tranche 2 October Lead Manager Options: \$0.625 per Option,(each the **Exercise Price**).
4. **(Expiry Date):** The Options expire at 5pm (Sydney time) on the following dates:
 - (a) August Lead Manager Options: 5 August 2024;
 - (b) Tranche 1 October Lead Manager Options: 29 October 2024; and
 - (c) Tranche 2 October Lead Manager Options: 3 years after the date they are issued,(each the **Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
5. **(Exercise Period):** The Options are exercisable at any time and from time to time on or prior to the Expiry Date.
6. **(Quotation of the Options):** The Company will not apply for quotation of the Options on ASX.
7. **(Transferability of the Options):** The Options are not transferable, except with the prior written approval of the Company.
8. **(Notice of Exercise):** The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).
9. **(Timing of issue of Shares on exercise):** Within 5 Business Days after the Exercise Date the Company will:

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- (a) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
 - (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
 - (c) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
10. **(Restrictions on transfer of Shares):** If the Company is required but unable to give ASX a notice under paragraph 9(b), or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, Shares issued on exercise of Options may not be traded and will be subject to a holding lock until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.
11. **(Shares issued on exercise):** Shares issued on exercise of the Options will rank equally with the then Shares of the Company.
12. **(Quotation of Shares on exercise):** If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options in accordance with the Listing Rules.
13. **(Voting rights and dividends):** The Options do not confer on the holder an entitlement to vote at general meetings of the Company or to receive dividends.
14. **(Entitlement to capital return):** The Options do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise, and similarly do not confer any right to participate in the surplus profit or assets of the Company upon a winding up, in each case, during the currency of the Options without exercising the Options.
15. **(Reconstruction of capital):** If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
16. **(Participation in new issues):** There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
17. **(Adjustment for bonus issues of Shares):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
- (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
 - (b) no change will be made to the Exercise Price.

Lodge your vote:

By Mail:

GPO Box 2703
Sydney NSW 2001 Australia

Alternatively you can fax your form to:
+61 2 9233 1349

For all enquiries email:

info@allegiancecoal.com.au

Proxy Form

For your vote to be effective it must be received by 10.30 am (AEDT) on Wednesday, 1 December 2021.

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

You may vote online or by proxy only.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

To vote by proxy, please complete and sign the Proxy Form and send:

- (a) By post to the Company at GPO Box 2703, Sydney NSW 2001 Australia; or
- (b) By facsimile to the Company on +61 2 9233 1349; or
- (c) By email to the Company at info@allegiancecoal.com.au.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Due to the ongoing COVID-19 pandemic, Shareholders will only be able to attend the Meeting via teleconference.

All voting will be conducted by poll using the proxy instructions on this form. Shareholders who do not wish to vote by proxy using this form must contact the Company at info@allegiancecoal.com.au by 1 December 2021 to notify the Company of their intentions and to request a personalised poll form. The Company will send personalised poll forms following the cut-off time for the return of Proxy Forms (i.e. after 10.30 am on 1 December 2021) to Shareholders who request them prior to this time. Personalised poll forms must be completed and returned to the Company after the poll has been called and prior to the close of polling. During the Meeting, the Chair will notify you how and when you are able to complete and return the personalised poll form.

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form



ALLEGIANCE COAL
LIMITED

ABN 47 149 490 353

Proxy Form

I/We

of

being the holder of _____ ordinary shares of Allegiance Coal Limited hereby appoint

the Chairman OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Allegiance Coal Limited to be held at Suite 107, 109 Pitt Street Sydney NSW via teleconference on Friday, 3 December 2021 at 10.30 am (AEDT) and at any adjournment of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolution: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

Resolutions

	For	Against	Abstain
1. Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Election of Director – Bernie Mason	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Re-election of Director – Jonathan Reynolds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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	For	Against	Abstain
5. Approval of Employee Securities Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Approval of potential termination benefits under the Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Approval of issue of Director Performance Rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Approval of issue of Director Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Ratification of issue of August Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Ratification of issue of August Lead Manager Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Ratification of issue of Tranche 1 October Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Ratification of issue of Tranche 1 October Lead Manager Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Approval of issue of Tranche 2 October Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Approval of issue of Tranche 2 October Lead Manager Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Contact
Name _____

SRN/HIN _____

Securityholder 2

Director

Contact
Daytime Telephone _____

Securityholder 3

Director/Company Secretary

Date ____/____/____